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		ELLIGENCE AGENCY E SUPPORT STAFF	-
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DIRECTOR: WHIT	E HOUS	ON IN SOUTH VIETNAM	. 2

Communist-initiated incidents continued to increase in the northern provinces. South of the Quang Tin provincial capital, Communist units which recaptured three hamlets lost to the government several months ago, have been hit with ARVN counterattacks and air strikes. The running battle began on May 4 and both sides have been taking relatively heavy losses. Action west of Saigon has been relatively quiet although the government is keeping some forces in the border areas.

Military Region 3 officials think the next hotspot may erupt to the north of the capital where the rested, and highly regarded, North Vietnamese 7th Division is deployed.

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